Biosensors Reports Strong Sales and Profitability in the First Quarter of Fiscal Year 2013

The Associated Press

Biosensors International Group, Ltd. ("Biosensors" or the "Company", Bloomberg: BIG SP; Reuters: BIOS.SI; SGX: B20), a developer, manufacturer and marketer of innovative medical devices, today announced financial results for its first fiscal quarter ended 30 June 2012 ("Q1 FY13").

Q1 FY13 Highlights: -- Total revenue of US$86.3 million, representing 51% year-on-year growth -- Interventional Cardiology Products ("IVP") sales, largely made up of drug-eluting stent ("DES") sales, were US$65.7 million, up a significant 74% year-on-year -- Gross margin on total product sales was 81%, a 5% improvement quarter-over-quarter and 7% higher year-on-year -- Achieved US$33.7 million operating profit, representing 44% year-on-year growth, while net profit excluding exceptional items grew 17% year-on-year to US$28.3 million -- Generated operating cash flow of US$36.3 million, a more than 10-fold increase year-on-year -- Announced during Euro Paris Course on Revascularization ("EuroPCR") conference: plans for LEADERS FREE, the first large-scale study for BioFreedomT, the next-generation polymer-free drug coated stent ("DCS"); positive four-year safety and efficacy data of AxxessT, its bifurcation DES; BioMatrix FlexT chosen as the stent platform for GLOBAL LEADERS, the largest ever randomized clinical trial involving a DES(1) "We have achieved yet another quarter of strong growth in our revenues, profits and operating cash flow. This is due to the sustained robust growth in the IVP sales, consolidation of the operating results of JW Medical System Ltd. ("JWMS"), and increased licensing revenue," commented CEO Dr. Jack Wang. "During the EuroPCR, we announced four-year data from the DIVERGE study, which showed that the use of our AxxessT bifurcation DES resulted in positive clinical results.(2) We continue to see encouraging growth in physicians' adoption of AxxessT. At the same time, we also announced that our BioMatrix FlexT was chosen as the stent platform for GLOBAL LEADERS, the largest ever clinical trial involving a DES, and also our plans for LEADERS FREE, the first large-scale study for our BioFreedomT DCS, which is awaiting CE Mark approval. This demonstrates our commitment to build a significant body of clinical evidence before commercializing BioFreedom." Performance Summary for Q1 FY13 For Q1 FY13, Biosensors reported total revenue, including licensing and royalties, of US$86.3 million, a 51% increase over US$57.0 million in the first quarter of fiscal year 2012 ("Q1 FY12"). Correspondingly, IVP sales rose to US$65.7 million, up 74% from US$37.7 million in Q1 FY12. This was largely due to the full-quarter consolidation of JWMS' results and continued growth in the sales of the Company's BioMatrixT family of DES. Sales revenue of critical care products ("CCP") was US$3.3 million, compared to US$3.7 million in the same period last year.

Licensing and royalties revenue grew to US$17.3 million, a year-on-year increase of 10% from US$15.6 million in Q1 FY12.

Gross margin on total revenue rose to 85% for the quarter from 82% in the previous quarter and 81% in Q1 FY12. Gross margin on total product sales was 81%, compared to 76% in the previous quarter and 74% in Q1 FY12. Reduction in manufacturing cost, favorable geographical and product mix contributed to the improvement in the gross product margin.

Overall operating expense as a percentage of total revenue for the quarter was 46% compared to 40% in Q1 FY12.

In detail, the quarter's sales and marketing ("S&M") expense was US$22.3 million; general and administrative ("G&A") expense was US$10.1 million; research and development ("R&D") expense, which included costs for new product development and testing, clinical trials, patent registration and regulatory approval, was US$6.3 million. As a percentage of total revenue, Q1 FY13 S&M expense was 26%, compared to 28% in Q1 FY12; G&A expense was 12% compared to 11%, while R&D expense was 7% versus 8%.

For the quarter, the Group's operating profit was US$33.7 million, representing a 44% year-on-year increase compared to the same period last year.

Excluding exceptional items, which comprise fair value adjustments for warrants and provisions for restructuring expenses, net profit for Q1 FY13 would have been US$28.3 million or basic earnings per share ("basic EPS") of 1.65 US cents and diluted earnings per share ("diluted EPS") of 1.62 US cents. This compares to a net profit of US$24.1 million or basic EPS of 1.80 US cents and diluted EPS of 1.76 US cents for Q1 FY12 after excluding the fair value adjustments for warrants.

Including exceptional and non-operating items, net profit for Q1 FY13 was US$32.6 million or basic EPS of 1.90 US cents and diluted EPS of 1.86 US cents compared to a net profit of US$22.6 million or basic EPS of 1.68 US cents and diluted EPS of 1.64 US cents for Q1 FY12.

The Company maintains its full-year financial guidance. For the fiscal year ending 31 March 2013 ("FY13"), management anticipates total revenue to grow by 20% to 30% over FY12, driven by continued strong DES revenue growth as well as modest licensing and royalty revenue increase. The Company expects FY13 profitability, excluding exceptional items, to increase overall but anticipates that the higher revenues will be partially offset by increased expenses required to support revenue growth and development of future products.

"Looking ahead, despite the challenging global macro economic developments, we remain confident about our growth prospects for the fiscal year," concluded Dr. Wang. "Our DES growth stays strong. At the same time, we are committed to continue boosting our competitiveness by demonstrating more positive clinical evidence with our existing and pipeline products. On the merger and acquisition front, we will continue to explore various opportunities to grow Biosensors to greater heights." Note: This trial is supported by Biosensors and AstraZeneca, a global biopharmaceutical company, to compare the effectiveness of two different

pharmaco-intervention strategies. For more details, refer to our announcement "BioMatrix FlexT Chosen for Largest Ever Clinical Trial Involving a Drug-Eluting Stent" dated 16 May 2012.

For more details, refer to our announcement "AxxessT Self-Expanding Bifurcation DES Shown to be Safe and Effective up to Four Years" dated 18 May 2012.

About Biosensors International Group, Ltd Biosensors International develops, manufactures and markets innovative medical devices for interventional cardiology and critical care procedures. We aim to improve patients' lives through pioneering medical technology that pushes forward the boundaries of innovation.

With the increasing use of the BioMatrixT family of drug-eluting stents and the recent launch of our AxxessT self-expanding bifurcation drug-eluting stent, we are rapidly emerging as a leader in the global coronary stent market. The development of the BioFreedomT drug-coated stent will further reinforce our market position.

All three stents incorporate Biolimus A9T (BA9T), an anti-restenotic drug developed and patented by Biosensors specifically for use with drug-eluting stents. Both the BioMatrix stent family and the Axxess stent feature a unique abluminal biodegradable polymer coating, which fully degrades into carbon dioxide and water after six to nine months as it releases BA9. The BioMatrix stent family features workhorse stent platforms for a broad range of lesions, and the Axxess stent employs a self-expanding stent platform specifically designed for treating bifurcation lesions. BioFreedom, a completely polymer-free stent abluminally coated with BA9, is currently undergoing clinical evaluation.

For more information, please visit www.biosensors.com.

Forward-Looking Statements Certain statements herein include forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "project" or "continue" or the negative thereof or other similar words. All forward looking statements involve risks and uncertainties, including, but not limited to, customer acceptance and market share gains, competition from companies that have greater financial resources; introduction of new products into the marketplace by competitors; successful product development; dependence on significant customers; the ability to recruit and retain quality employees as Biosensors grows; and economic and political conditions globally. Actual results may differ materially from those discussed in, or implied by, the forward-looking statements. The forward-looking statements speak only as of the date of this release and Biosensors assumes no duty to update them to reflect new, changing or unanticipated events or circumstances.

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-0- 07/25/2012 /Web Site: http://www.biosensors.com (Singapore:B20 / OTC-PINK:BSNRY) / CO: Biosensors International Group, Ltd.; JW Medical System Ltd.

ST: Singapore United States of America IN: FIN MEQ HEA MTC SU: SLS ERN PRN -- HK46072 -- 0000 07/25/2012 14:43:33 EDT http://www.prnewswire.c

Source URL (retrieved on *09/30/2014 - 7:19am*):
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